The Superintendent of Archaeology, as I said, has seen these pictures.

MR. A. THANU PILLAI (*Trivandrum-Rural*): Is he an expert in modern things as well?

RAO SAHIB DR. N. KUNJAN PILLAI (*Chief Secretary to Government*): We may take him to be so.

I can assure the House that they are really good pictures of rare excellence and that they will be a useful addition to the Sri Chitralayam. This institution has already won the golden opinion of the distinguished visitors to Trivandrum and these additional pictures will only increase its reputation and popularity?

MR. A. THANU PILLAI (*Trivandrum-Rural*): Will not these pictures be superfluous to the Sri Chitralayam.

RAO SAHIB DR. N. KUNJAN PILLAI (*Chief Secretary to Government*): There is still room for expansion and so more pictures can be added on.

The demand was then put to the vote of the House and carried. The grant was made.

ANCHAL

RAO SAHIB DR. N. KUNJAN PILLAI (*Chief Secretary to Government*): Sir, I move for a grant not exceeding Rs. 420 for the payment of compensation for the land acquired for the Olakettiambalam Anchal Office A few cents of land were acquired by the Revenue Department. At first the compensation fixed was only Rs. 286 but when the actual award was made, the Division Peishkar reported that the amount required would be Rs. 420. The Anchal Superintendent was asked whether any diversion could be made from his departmental budget and thus avoid a supplementary demand. As he reported that this was not possible Government are obliged to come to the House with this supplementary demand. I hope the House will allow this small amount.

MR. K. PADMANABHAN (*Chirayinkil I*): Is there no *paramboke* land for holding the Anchal Office?

RAO SAHIB DR. N. KUNJAN PILLAI (*Chief Secretary to Government*): None except the road (*Laughter*).

The demand was then put to the vote of the House and carried.

DEPUTY PRESIDENT: The House will now proceed to the legislative business in the agenda.

LEGISLATIVE BUSINESS.

THE TRAVANCORE AGRICULTURISTS' RELIEF BILL.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Sir, I rise to introduce a Bill to make certain provisions for relief of agricultural indebtedness. The Bill was published in the Gazette with a statement of objects and reasons, and I now beg to move that the Bill be read in the Assembly.

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MR. C. V. CHANDRASEKHARAN (*Ag. Director of Public Instruction*): I second it.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): At this time of the day, it is, perhaps, a needless task to labour to prove that the agriculturists are generally indebted or that the burden of their indebtedness is becoming heavier and heavier day by day. The agriculturist has always been in debt, perhaps: but that need not cause any undue alarm as all accounts of the agriculturists' indebtedness presented have been presented without any reference to their assets, and part of the debts of the agriculturists must be debts due to agriculturists themselves and therefore must necessarily form part of the assets of the agriculturists. The present time, however, is somewhat peculiar. Even though the agriculturists have been generally meeting their demands for interest payments and repayment of debts with the moneys realised by them by sale of their agricultural products, it has now become practically impossible for them to do so. The price of the agricultural products began to fall since 1105, and even now the agriculturist is in the grip of that fall; and it cannot be said that there has been any definite turn to the normal or prosperous days of five or six years ago. As agriculturists form the bulk of the people of the State and as they are practically the basis of all the wealth of the State, it is considered necessary that relief measures should be devised, temporary though they may be. The Government appointed a Committee to enquire into the matter and propose relief measures. They submitted their report, and as the House is aware, it has been placed before it for debate. Government have considered the matter in all its aspects and have taken certain conclusions which are embodied in the Bill placed before the House now.

In judging the provisions of the Bill, one fundamental fact must be borne in mind throughout, and that is that while Government anxiously desire to bring relief measures to every agriculturist, they want that interference with vested private rights must be at the minimum and should be only where absolutely necessary and to the extent absolutely necessary. It is not proposed, therefore, that vested rights of creditors should be substantially curtailed. The essence of the proposals is to give relief either with the consent of the creditor or, wherever that be not possible, subject to his substantial legal rights.

The chief part of the devices proposed by the Bill for giving relief consists in what is called "conciliation" of the debts. Conciliation is an amicable settlement between debtors and their creditors and amongst the creditors *inter se*, towards the discharge of the debts. The machinery for bringing about this conciliation is a board. Power is proposed to be given to Government to set up a board of three members one of whom will be the Chairman. But Government may appoint single-member boards, the single member being a Government official. It will be remembered that the chief criticism in this House against these boards was difficulty in getting suitable non-official members. The proposal therefore for the single member

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official board will be noted. The boards will bring together a debtor and his creditors and propose methods of conciliation to them. What the method of conciliation is that is most suitable in any case must depend on the circumstances of that case, and therefore it is left to the discretion of the boards who have to exercise it, having regard to considerations such as those indicated in Clause 13 of the Bill, which reads thus :—

"In proposing and making the conciliation, the board may take into consideration the following *inter alia*, namely :—

(*a*) the equities of the debt transactions concerned,
(*b*) the amount of each of the debts,
(*c*) the amount of interest already paid, particularly after the year 1105 M. E.,
(*d*) the amount of the interest that has been allowed to accumulate,
(*e*) the duration of the transactions,
(*f*) the character of the debt, as for example, whether it is secured or unsecured,
(*g*) the ability of the debtor to pay,
(*h*) the availability of assets out of which the debts may be realised,
(*i*) the occupation, needs and other economic conditions of the crediter,
(*j*) the needs of the debtor and the necessity for leaving, as far as possible, a margin of property for the debtor's subsistence."

In regard to the methods of conciliation, three methods are suggested merely as illustrations, in Clause 15 which reads thus :—

"The manner of the conciliation shall be in the discretion of the board and may, for example, be as follows :—

(*a*) that the debtor pay the creditor, or creditors, forthwith, or within a time to be fixed by the board, a lump sum in cash in full settlement of all the debts, the amount of such lump sum being fixed by the board having regard to the facts enumerated in Section 13 and to the amount which the debtor may raise by mortgaging his entire properties to the State Land Mortgage Bank or to some such recognised institution, or

(*b*) that a portion, say one-fourth, of the assets of the debtor be left to the debtor free from all liability for his debts, and the balance left to the creditor or creditors to be appropriated by them or to be sold and the sale proceeds distributed amongst them, it being also laid down how the property, or the sale proceeds, as the case may be, shall be distributed amongst the creditors if there are more creditors than one, or

(*c*) that the debtor pay either the entire amount of the debts, or a reduced amount in full settlement, in instalments, spread over a number of years to be fixed by the board, the debtor giving security for the due payment of the instalments and it being provided that if any instalment is defaulted such instalment and interest thereon alone be recovered but that, if three consecutive instalments are defaulted, the entire amount remaining due be recovered.

If the decision of the board as to the conciliation in any bease is accepted by the parties, then the conciliation will be reduced to an agreement by the parties and be given the force of a Civil Court decree. If the parties do not agree to the conciliation, there is an end to the conciliation, for it is not proposed to *compel* the creditor or debtor to any arrangement which may be considered by them to detract from

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[Mr. Kayalam Paramesvaran Pillai.]

their legal rights or supposed legal rights. But, some slight compulsion is sought to be added to this conciliation; for, it is proposed that, even if the parties do not agree to the conciliation proposed, the board may certify their views as to the best method of settling the debt; and this certificate may be taken into consideration by a Court before whom a suit is brought for the realisation of the debts, and the Court may, on such consideration, disallow costs of the suit and disallow future interest, *i. e.*, interest from the date of the certificate. This may be seen from Clauses 17 to 19 of the Bill. This provision adds some sort of compulsion to the conciliation. But, it is conceived that this compulsion will not interfere *substantially*, or in any event to a great degree, with vested private rights.

I need not take up the time of the House by explaining the detailed provisions of the Bill regarding this conciliation; they will be apparent from the various Clauses of the Bill and the Statement of Objects and Reasons attached to the Bill. But, I think I must explain how this conciliation is conceived to be efficacious in giving relief to the debtor. It will be noticed that no proposal is made for cutting down the interest or the principal of any debt in other words there is no attempt to scale down any debt under any circumstances. It may not be right to *compel* the creditor to forego any amount. In well-ordered societies, which rest ultimately on law, the expectations guaranteed by law or the rules of the society should not be lightly set at nought. Nor can any general law be laid down as to the method of scaling down debts without causing admitted hardship, in many cases, to some party or other; and indeed such relief may be worse than the disease that we are trying to relieve. For instance, there may be a poor creditor and a rich debtor; scaling down the debt may be a serious hardship to the creditor. Where and when it will be equitable to scale down debts, and to what extent, must all depend on the facts of each case and can scarcely be reduced to rules of general application. Besides, the legal right of the creditor must be respected. So then, any scaling down must firstly be left to the discretion of an impartial body and must, secondly, be based on the consent of the creditor. It is here that the Conciliation Board comes into play and is expected to be of use to the debtor and the creditor. It will be asked how the board can be of any use so long as its decision is not binding on any party and need not be accepted by anybody. It is this that I want to explain.

DEPUTY PRESIDENT: The House will now adjourn to meet again tomorrow at 11 O'clock.

The House adjourned at 4·48 P. M.

K. MADHAVA KURUP,
Secretary to the Sri Mulam Assembly.

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